

Article - Tax - Property

[\[Previous\]](#)[\[Next\]](#)

§7–211.3.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) “Federal enclave property” means real property improvements or an interest in real property improvements:

1. that are located within the defined boundaries of federally owned land where:

A. the federal jurisdiction would preclude taxation by the State; and

B. the federal government has waived its immunity from State property taxation by law or other form of consent;

2. that are either:

A. owned by a person other than the federal government; or

B. held by a person that is taxable under § 6–102(e) of this article; and

3. that are not otherwise exempt under this title or any other provision of law.

(ii) “Federal enclave property” does not include any property owned by the United States Department of Veterans Affairs that is leased to a person through an enhanced use lease.

(3) “Local jurisdiction” means a county and, where appropriate, a municipal corporation in which federal enclave property is located.

(4) “Private developer” means a person, other than the federal government or an agency thereof, that owns federal enclave property or holds an interest or privilege under § 6–102(e) of this article in federal enclave property.

(b) (1) Subject to the provisions of this section and on initiation by the local jurisdiction where the federal enclave property is located, the local jurisdiction

and the State may jointly enter into a payment in lieu of tax agreement with a private developer for federal enclave property.

(2) An agreement authorized under paragraph (1) of this subsection is not effective until it is approved by the federal government.

(3) (i) A local jurisdiction shall initiate any discussions to negotiate a payment in lieu of tax agreement with a private developer of federal enclave property no later than 30 days after receiving written notice by the private developer or the federal government that a development has been proposed for the federal enclave property.

(ii) When any discussions to negotiate a payment in lieu of tax agreement have commenced, the Maryland Department of Transportation shall notify the Legislative Policy Committee within 30 days.

(4) Federal enclave property is not subject to property tax if a private developer enters into a payment in lieu of tax agreement with the State and the local jurisdiction where the federal enclave property is located.

(5) The parties to an agreement under this subsection and the federal government shall consider the total impact and benefits of the development of the federal enclave property on the State and on local jurisdictions, including but not limited to:

- (i) the impact on local and regional transportation;
- (ii) future economic development;
- (iii) the financial resources of the local jurisdiction;
- (iv) the environment;
- (v) natural resource allocation;
- (vi) infrastructure capacity;
- (vii) employment;
- (viii) disadvantaged business enterprises, minority business enterprises, and small business enterprises;
- (ix) the availability and use of public services;

(x) in-kind contributions related to the development, including the services, facilities, personal and real property, traffic mitigation, rights-of-way, and other assets and benefits of the federal government or the private developer made available to and used by the public; and

(xi) any other matter impacted by the development of the federal enclave property.

(6) (i) An agreement under this subsection shall be approved and signed by the Maryland Department of Transportation, on behalf of the State, any party responsible for making a required payment or fulfilling any other provision of the agreement, and the governing body of the local jurisdiction where the federal enclave property is located.

(ii) The Maryland Department of Transportation shall seek consultation with any local jurisdiction impacted by the development of the federal enclave property.

(7) The private developer shall make a payment, if any, in lieu of property taxes to the county tax collector for the county where the federal enclave property is located in an amount and at a time determined by the agreement under this subsection.

(8) The payment required by an agreement under this subsection may not exceed the property tax that would otherwise be due to the State and local jurisdiction if the payment in lieu of tax agreement were not in effect.

(9) The payment received under paragraph (7) of this subsection shall be distributed by the tax collector in accordance with the agreement under this subsection to:

(i) a dedicated fund specifically designated in the agreement as a contribution to the cost of a specific public improvement associated with the development of the federal enclave property; or

(ii) the State, county, and, if applicable, municipal corporation where the federal enclave property is located in the ratio stated in the agreement.

(10) An agreement under this subsection may provide for abating or reducing property tax previously imposed on the federal enclave property.

(11) The Maryland Department of Transportation may adopt regulations to implement this section, in consultation with:

- (i) the Department;
 - (ii) the Department of Commerce;
 - (iii) the Department of the Environment;
 - (iv) the Department of Housing and Community Development;
- and
- (v) the Department of Planning.

[\[Previous\]](#)[\[Next\]](#)